

### **REMARKS**

In the Office Action mailed September 3, 2008, claims 54-67 and 70-108 are pending and stand rejected. The amendment filed July 11, 2008 is objected to under 35 U.S.C. 132(a) because it introduces new matter into the disclosure of the invention. The specification is objected to under 35 U.S.C. 112, first paragraph, for the same rationale. Claim 75 stands rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to point out and distinctly claim the subject matter. Claims 54, 57-58, 61-62, 65-72, 70-72 stand rejected under 35 U.S.C. § 103(a) over 20020116228 ("Bauer") in view of McMillan, Butler, and Rejda. Claims 55-56, 59-60, 63-64 stand rejected under 35 U.S.C. 103(a) over Bauer in view of McMillan, Butler, and Rejda, and further in view of alleged Applicant Admitted Prior Art (AAPA). Claims 73-108 stand rejected under 35 U.S.C. 103(a) over Bauer in view of McMillan, Butler, Rejda, and AAPA.

Applicants traverse the rejections and objections, amend claims 54 and 55, and cancel claims 56, 61-64, 67, and 71-108, without prejudice or disclaimer, to narrow the issues for appeal should resolution not be reached based on this response.

Applicants wish to thank Examiner Nguyen for his time and consideration during the telephonic interview conducted with the Undersigned on November 18, 2008. The interview primarily focused on the § 112 rejections and the related objections to Applicants' July 11, 2008, amendment and the specification. After discussing the specification in the interview, Examiner Nguyen tentatively agreed to withdraw these rejections and related objections.

#### **The Pending Claims As Amended Introduce No New Matter**

Amended independent claim 54 is fully supported by the original specification. The Action asserts, however, that the Application fails to support the claim language previously added to claim 54 which recites, "the effect of the collected sensor data on the calculation of the premium varies based on the indicated use". The Action questions similar language added to claims 73 and 107. Applicants disagree.

The claim language in question requires that the premium determination be based at least in part on a function of collected sensor data. In addition, the results of the function used to evaluate the sensor data varies based on intended use. One illustrative indicator of use described throughout the application is a Standard Industrial Classification Code or SIC code. Amended claim 54 is amended to explicitly refer to an SIC code-based implementation. One illustrative, non-limiting, example of a premium determination process that utilizes a SIC code-varying evaluation of sensor data is described in relation to Figure 4.

Specifically, as set forth on page 30, lines 13-16, a premium is calculated based on at least four pieces of information, including: a minimum premium amount, a hazard rating code, and two risk modifier codes. Determination of a hazard rating code is described further on page 29, lines 8-14. Specifically, this passage describes calculating a hazard rating code based on loss or hazard mitigation technology and hazard rating instructions ("instructions"). As stated in the preceding paragraph of the application on page 29, lines 2-6, the system maintains a database that stores instructions that "correspond to each SIC that user might enter into the system." That is, the loss or hazard mitigation technology and hazard rating instructions are SIC code dependent. The instructions dictate how the system takes into account risk mitigation technology and hazard rating information. See page 29, lines 9-11. One specific type of risk mitigation technology and hazard information described in several locations in the specification, including, for example at p. 8, line 21-p. 9, line 2 and p. 27, lines 14-16, is sensor data. By using instructions that take into account sensor data in an SIC-dependant fashion, the systems and methods disclosed in the application describe the claimed subject matter in question.

For at least these reasons, Applicants request reconsideration and withdrawal of the objections to Applicants' prior response, the objection to the specification, and the rejections under § 112.

Amended Independent Claim 54 Distinguishes Over the Cited References

Independent Claim 54 is amended to incorporate the subject matter of claim of claim 56, and to specify that the recited underwriting guidelines are SIC-specific underwriting guidelines. Support for this amendment can be found in the preceding section of this Response. As amended, independent claim 54 recites a computerized method for insuring a property. The method includes, in relevant part, receiving, by the computer an indication of an SIC code corresponding to the intended use of the property. The computer then calculates a premium for the property based at least in part on sensor data collected in relation to the property. The impact of the sensor data on the premium varies based on the indicated SIC code.

In the Action, similar subject matter (i.e., claim 56) was found to be obvious over of a combination of four references and alleged Applicant Admitted Prior Art and/or Official Notice. As an initial matter, the Action fails to provide sufficient rationale for one of ordinary skill in the art to combine the references. The alleged rationale is the desire to accurately price insurance coverage. Such a rationale would justify combining virtually any two references related to insurance technology. Allowing such a rationale to be sufficient for justifying the combination of references would completely vitiate this requirement for the entire field of art.

Even if one of ordinary skill in the art were to combine the references, the combination would not yield the claimed subject matter. That is, the combination would not yield a system that calculates an insurance premium for a property based on sensor data, in which the impact of the sensor data on the premium calculation varies based on an SIC code indicated as being associated with the property.

The relied upon prior art, as it relates to sensor data and SIC code usage can fairly be characterized as follows:

McMillan discloses that sensor data collected from insured vehicles can be used to improve premium determinations. McMillan further suggests that insured drivers may be charged a surcharge if they are using the vehicle for business purposes. McMillan fails to disclose that this

surcharge would vary in any way based on collected sensor data. McMillan also fails to disclose that the fact that the vehicle in question was used for business purposes would in any way impact how the sensor data would effect the premium.

Rejda describes that in traditional insurance processing, the distinction between various uses of vehicles (e.g., personal use, business use, and farm use) may result in the selection of different rating factors to apply in underwriting the vehicle. Rejda is silent with respect to the use of sensor data. Thus, combining Rejda with McMillan, at best one would modify the surcharge identified in McMillan to vary based on the industry in which the vehicle was used. One would not have any reason, based on Rejda to modify the calculation of a sensor data-based premium component.

Applicants concede that insurers have used SIC codes in classifying insured property. If one were to combine this knowledge with the combination of McMillan and Rejda, at best the combination would result in surcharges being determined based on a provided SIC code. Again, one of ordinary skill in the art would have no reason, based on this art, to modify the calculation of a sensor data-based premium component.

The suggestion in the Action that one would alter the sensor data based-premium component is based purely on impermissible hindsight. For these reasons, Applicants request reconsideration and withdrawal of the § 103 rejection of claim 54. Claims 55, 57-60, 65, 66, and 70 depend from claim 54 and add further limitations thereto. Applicants therefore request reconsideration and withdrawal of the § 103 rejections of these claims, too.

Claims 59-60 further distinguish over the cited references. Claims 59 and 60 recite that the insured property are goods and a building, respectively. The Action asserts that this subject matter is obvious because those in the art know to insure goods and buildings. This assertion, however, is insufficient to render these claims obvious. As pointed out in prior responses, just because goods and buildings have been insured in the past, it would not be obvious to use sensor data obtained from monitoring those buildings or goods to adjust premium determination. Thus, Applicants submit the Action fails to set forth a *prima facie* case of obviousness against these claims.

Applicants therefore request reconsideration and withdrawal of the § 103 rejections of claims 59 and 60 on these additional grounds.

With respect to the matter of definition of the term "sensor", without conceding to the appropriateness of the definitions suggested in the Action, even under the broader standard for construction Examiners are obligated to apply during examination, Applicants believe this issue is moot based on the foregoing arguments, so long as the applied definition of sensor excludes humans, which Applicants understand the Examiner's proposed definitions to do.

In view of the above amendment, Applicants believe the pending application is in condition for allowance.

Applicants believe no fee is due with this response. However, if a fee is due, please charge our Deposit Account No. 18-1945, under Order No. HSDO-P01-002 from which the undersigned is authorized to draw.

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Respectfully submitted,

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